

Smallholder Horticulture

in
ZIMBABWE



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COMPETITIVE MARKETING STRATEGIES FOR SMALLHOLDER HORTICULTURAL PRODUCE GROWERS IN GREATER HARARE

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ABSTRACT

This paper reviews background information on horticultural production and marketing in Zimbabwe. It then focuses on market demand for vegetables in Harare, which is the main market within Zimbabwe, and documents and assesses marketing practices and strategies currently employed by smallholder producers and suggests possible competitive marketing strategies for them.

INTRODUCTION

The horticultural industry has been subject to major changes in the past decade. There has been dramatic growth in the commercial horticultural sector particularly of exports but limited growth in the smallholder sector. This state of affairs emphasizes the need to examine marketing constraints and strategies of both sub-sectors of the horticultural industry.

COUNTRY BACKGROUND

Zimbabwe has a diversified economy in which the highest sectoral contribution to GDP, about 25%, is from the manufacturing sector. Most of the manufacturing activities include processing of agricultural products e.g. milling, canning. The agricultural sector contributes approximately 12.5% of the GDP but is the largest employer of the formal labour force, providing jobs to over 24% of the labour force in the country (CSO, 1991).

In 1993, approximately 43% of the GDP was from the agri-business sector, from food and fibre processing and manufacturing (CSO, 1994).

The agricultural sector as a whole is dualistic and so is horticulture with a commercial horticultural production sub-sector (CHP) and a smallholder horticultural production sub-sector (SHHP). It is within the above frame of reference that an analysis of the horticultural marketing systems will be attempted.

HORTICULTURAL INDUSTRY OVERVIEW

In the past decade horticultural production and export marketing has emerged as a priority issue to Zimbabwean farmers, researchers and policy-makers, due to the industry's high foreign currency earning potential. The horticultural industry output has risen in all years since 1985/86 (HPC, 1994). In 1993 horticultural export earnings totalled Z\$167 million despite the severe drought which led to total failure of most other crops. In 1995/96 the estimated value of horticultural exports was almost one billion Zimbabwe dollars (US \$101 million).

The thrust into horticultural production is a response to external market opportunity and also threat because tobacco which is the leading export crop, contributing Z\$2.2 billion of the export earnings in 1993, faces the risk of a shrinking global market as a result of the increase in anti-smoking lobbying and regulations banning smoking in public and work places in most developed and even in developing countries.

The second most popular crop in the country was cotton which supports the textile industry. This industry provides substantial export earnings, which totalled Z\$56 million in 1993 (CSO, 1994). The textile industry is also facing problems on global markets due to the technological advances in artificial fabrics resulting in more versatile and attractive fabrics and thus lower demand for cotton.

These changes on the world markets imply that Zimbabwean farmers, researchers and policy-makers have to look at alternative agricultural products. The diversification to horticultural products appears to be one of the most economically feasible alternatives at present because out of all consumer oriented high value agricultural commodities, fruits and vegetables have the highest demand on the world markets and this demand is increasing thereby providing a lucrative market for quality products. Horticultural crops are also one of the most efficient means of food production because of their ability to provide the highest amount of nutrients per unit area of land in the shortest possible time.

The domestic market for horticultural products is estimated to have an annual turnover of Z\$80 million. Local consumption of horticultural produce is estimated to be between 250 000 and 350 000 tonnes which is approximately 40% of total production. Approximately 40% of domestically consumed produce is consumed in urban areas. The horticultural industry is also the backbone of the fruit and vegetable processing industry in Zimbabwe, with sales averaging Z\$28 million per annum (CSO, 1994).

Horticultural production in Zimbabwe is fairly well diversified and includes the production of cut flowers, vegetables, citrus, top and soft fruit. Citrus fruits have been the traditional horticultural export crop from Zimbabwe but fresh produce exports have grown dramatically in the past five years as shown in Figure 1.

The characteristics of the two different types of horticultural producers are given in Table 1.

SURVEY OF FRESH PRODUCE MARKETING IN GREATER HARARE

This survey focused on fresh produce for the following reasons:

- (a) Isolation of a specific sub-sector enabled a more focused investigation to be

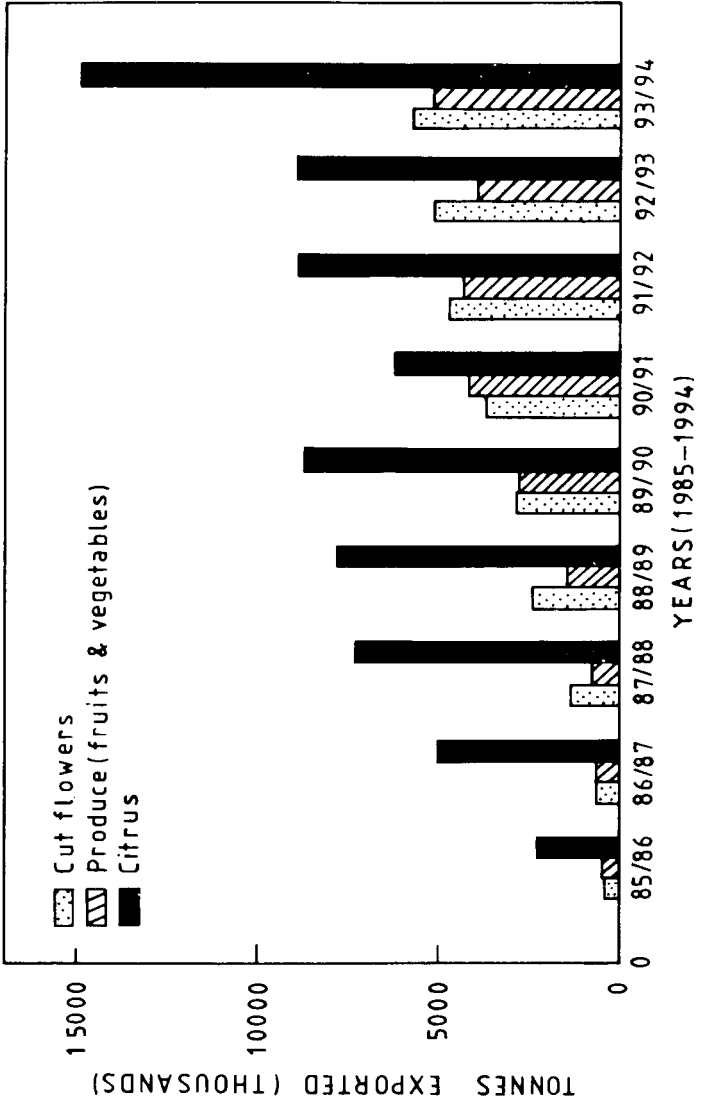


Figure 1: Actual horticultural exports 1985 to 1994

Table 1. Comparative analyses of elements of horticultural production systems in Zimbabwe

Element	Commercial Horticultural Producers (CHPs)	Small-Holder Horticultural Producers (SHHPs)
A. INFRASTRUCTURE AND SERVICES		
(i) Hard infrastructure		
— Roads and rails and service centres	Most commercial farming areas are in the areas with the most developed road and rail network. They are also closer to market centres (urban areas) and suppliers of inputs.	Most smallholder horticultural producers are in areas with less developed road networks and far away from market centres and input supply services.
— Electrical power infrastructure	Most CHPs are in areas with more developed electricity supplies and can afford to buy electricity.	As a result of historical factors most SHHPs are in areas with less electrical power infrastructure and few have capacity to buy.
— Production		
— Grading packaging and processing factors	Have more access to grading and storage facilities. Also have capacity to build on-farm packaging facilities and cold chains.	No grading and storage facilities. No financial capacity to develop these facilities. In most cases too far from processing facilities to transport highly perishable horticultural products.
(ii) Soft Infrastructure		
— Financial Services	Easier access to finance from banks commercial banks and the Reserve Bank. Also getting more favourable response from some international agencies interested in the development of the private sector.	No access to finance from private banks. Finance only provided through government/NGO/International organizations but have limited access to commercial bank loans.
— Market information services.	More organized and higher literacy rates. Access to market information locally and globally.	Farmers mostly illiterate and less organized. Limited access to local markets and virtually no access to global markets except as out-growers.
— Postal facilities, Radio and TV	Most commercial farmers have access to postal facilities, radio and TV and can effectively use these for communication.	Limited access of radio and virtually no access to TV and postal services.
Sectoral promoters and export promotion organizations	Well organized and effective organization e.g. HPC, Zimtrade etc	Virtually no export promotion board targeting smallholder horticultural producers. Taken as part of horticultural producers or as out growers sub-contracted by big producers.

Table 1 (cont.)

Element	Commercial Horticultural Producers (CHPs)	Smallholder Horticultural Producers (SHHPs)
University and research institutions	Several private and public institutions and organizations do research for the CHP. The established producer organizations can afford to commission research e.g. HPC, Hortico's use of international markets intelligence systems.	Institutions which do carry out research for the SHP sector are mostly public ones and under-funded. Sometimes NGOs and International Donors come with their own agendas which may not reflect the needs of the producers.
B. MARKET PARTICIPANTS The farmers	Relatively more educated and with high organisational capability as evidenced by growth of producer co-ops, growers associations e.g. FAVCO, HORTICO	Less educated participants and organizations are usually initiated from the outside e.g. ARDA, out-growers of Commercial Farmers.
Technical and Managerial Skills	Technical managerial skills are highly developed as evidenced by increase in production of quality produce even when initial skills are lacking. Commercial Horticulture Producers can afford to hire skilled managers.	Technical skills are provided by extension workers. Some producers have through experience gained some managerial skills. However, most lack managerial and technical skills in production, post-harvest handling marketing etc.
C. POLICIES AND REGULATIONS	The horticultural industry has very few controls and regulations. The most outstanding policies are those that affect the export market e.g. the export incentive scheme. Policies and regulations for the domestic market hardly exist.	Only those involved in export marketing are impacted upon by government policies and regulations. The rest of SHHP operate in a very uncontrolled environment.

- (b) Within the domestic market fresh produce is an important and necessary component of the staple diet because the staple meal (sadza) is usually taken in conjunction with sources of protein, minerals and vitamins. The protein source can be either dairy (sour milk) meat (beef, poultry, fish) or a vegetable. Vegetable protein is more often used than meat and milk because it is more accessible (from gardens of both rural and urban households) and it is relatively cheaper than meat and milk. This means that horticultural products especially the vegetables group have an important role in contributing to

- (c) The smallholder horticultural producers are more involved in fresh produce production than in other horticultural products namely cut flowers, fruits and ornamental plants.

DATA COLLECTION METHODOLOGY

The data used in this paper were taken from interviews of market participants in June-August 1994 as well as from previously published literature. Pretested sets of questionnaires were developed for each of the following:

- (a) transporters;
- (b) wholesalers;
- (c) retailers
- (d) institutional consumers

In the retailer and wholesaler group both formal and informal wholesalers and retailers were interviewed. Table 2 gives details of market participants interviewed. Informal interviews were also undertaken with some institutional consumers.

Table 2: Market channel participants interviewed in the survey

Participants Category	No. of Respondents
Transporters	24
Wholesalers:	
Formal	4
Informal	30
Retailers:	
Formal	24
Informal	346

Informal market channel participants are those operating at Mbare and Chikwanha Wholesale markets and at the various municipal markets in Harare. Formal market channel participants include the "commercial" wholesalers and retailing outlets e.g. supermarkets.

A stratified areal sampling technique was used in selecting the sample and the composition of the sample indicates the spatial distribution of fresh produce retailers in the different residential areas of Harare and Chitungwiza (see Fig. 2.).

It was found that 89,5% of the retailers were in the high density residential areas, 6,7% in the city and industrial areas and 3,8% in the low density areas.

RESULTS AND DISCUSSIONS

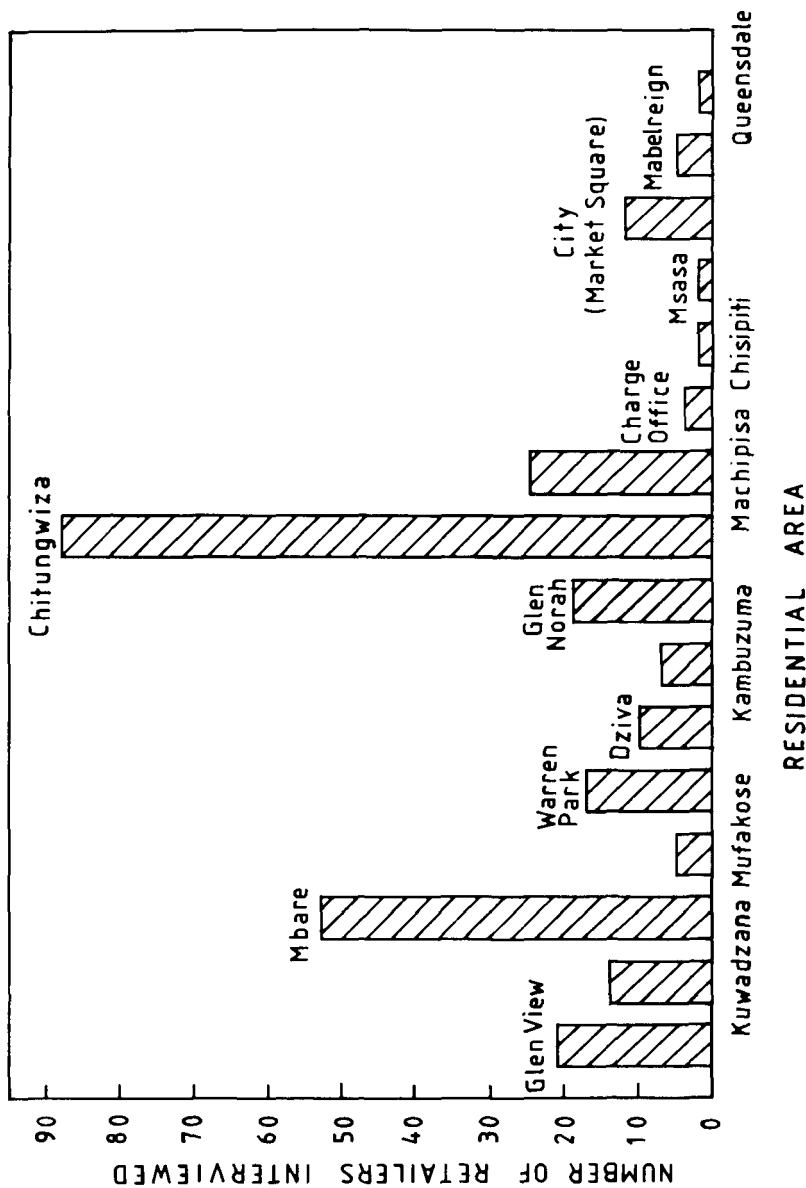
The research focused on participants' attitudes, problems, working patterns and marketing practices and results were as follows:

A. The Participants

A. (1) Transporters

A total of 24 transporters were interviewed, half of them coming from commercial farming areas and the other half from the smallholder farming areas (Table 3). Some

Figure 2: Distribution of retailers interviewed in different residential areas



to wholesalers and retailers in urban markets. Others were just hired by producers to transport produce to Mbare and Chitungwiza. All were male. Due to the varied responses of the transporters data analysis was not done on this part of the marketing channel.

Table 3: Transporter's place of origin, produce carried and type of arrangements

Origin	Produce carried	Individuals interviewed
Mazoe (LCF)	Tomatoes, Onions, Cabbage, Potatoes, Broccoli, Spinach, Cucumber, Cauliflower, Lettuce	Commercial Farm Workers (sent by employers)
Shamva (LCF)	Tomatoes, Butternut, Beans, Cabbages, Okra, Rape	Commercial Farmer and Commercial Farm Workers (sent by employers)
Mutoko (SSF)	Cabbage, Tomatoes, Carrots, Cucumber, Green Beans	<ul style="list-style-type: none"> • Hired to transport produce by producers • Brokers
Domboshawa (SSF) (Plot holders)	Baby marrows, Rape, Tomatoes, Covo	<ul style="list-style-type: none"> • Growers of produce • Hired truck • Brokers
Borrowdale (Plot holders)	Carrots, Cabbage, Onion, Garlic	Commercial Farm Workers, (sent by employers)
Mutare (SSF)	Potatoes, Tomatoes, Onions	Brokers
Bindura (LCF)	Tomatoes, Onions, Potatoes	Commercial farmer and farm workers

LCF = Large Scale Commercial Farmers SSF = Small Scale Farmers

A. (2) Institutional consumers.

Institutional consumers were only interviewed to find out whether they bought fresh produce from SHHP and what their expectations were. The four respondents interviewed did not buy produce from SHHP due to inconsistency in supply. They however indicated interest in buying from this sector if the quantities needed could be guaranteed in the medium or long term.

A. (3) Wholesalers and retailers

Ninety-eight percent of the wholesalers interviewed were males, whereas 98% of retailers interviewed were female.

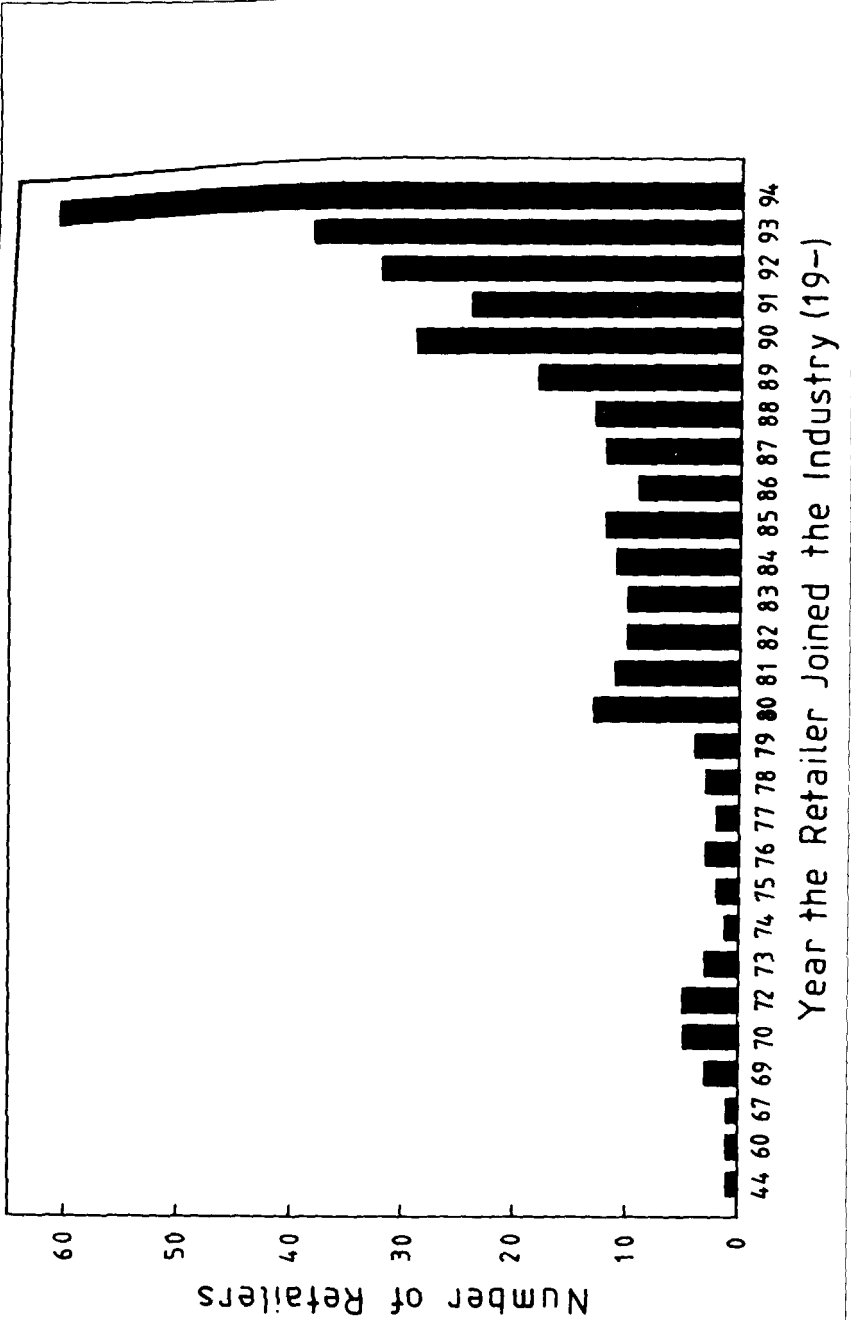
More than half of the retailers (55%) had joined the industry in the past three years and only 23% had been in the industry for more than 10 years (Fig. 3). A significant proportion of the informal wholesalers in the Chitungwiza area came from communal areas and stayed at wholesale market outlets until their produce was sold.

B. Factors influencing demand for fresh produce in Zimbabwe

Effective demand for product exists when there is willingness and ability to purchase the product. For vegetables, this willingness and capability to purchase seems to be influenced by:

- (i) Socio-economic variables such as lifestyles and income levels.

Figure 3: Years in which retailers joined the industry



- (iii) Consumers' knowledge and information on vegetable varieties, usage situations, benefits;
- (iv) Vegetable producers and/or marketeers marketing practices; and
- (v) Health and nutritional requirements.

For the low income group, price (and to some extent nutritional benefits) are the most important factors influencing customers purchasing behaviour.

In the middle to high income groups the concern is more on quality and nutritional value as well as variety in diet. This difference in the "bundle of attributes" sought by the different income groups tends to explain the difference in the mix and depth of fresh produce varieties sold by high density and low density retailers.

Most high density households do not have refrigeration facilities. This lack of equipment limits the type and amount of vegetable products they buy to those varieties that do not require refrigeration. Retailers located in high density suburbs reported that they cannot cope with the level of demand for covo and rape. The high level of demand for these vegetable varieties can also be attributed to the increase in the cost of living as a result of the Economic Structural Adjustment Programme (ESAP). Low income families can no longer afford beef or chicken. They now typically depend on leafy vegetables as their main form of relish, frozen fish from Namibia and lacto being other typical alternatives.

A number of developments/trends are taking place in the domestic market which tend to suggest greater opportunity for produce marketers in the future.

The number of people employed has risen (from 1.052 million in 1985 to 1.297 million in 1993). Also the number of women in the work force has increased. This increase of the working population means that more and more people have the ability to purchase a wider variety of food items including vegetables. Horticultural producers and marketers will have to adopt certain strategies to convert that "willingness" to actual purchase.

The increase in working women (coupled with the increase in the number of female-headed households) has resulted in a growing demand for convenience foods i.e. meals that do not require a lot of preparation time, effort or additional ingredients (e.g. frozen and pre-cooked vegetables).

The increase in consumer disposable income, and in the number of working women coupled with changing life styles has seen more families dining out and this has promoted the growth in the food eaten away from home sub-sector. This trend has stimulated institutional demand (e.g. hotels, restaurants) for fresh vegetables. The growth of the fast-food industry in Zimbabwe will also increase demand for vegetables such as potatoes, cabbages, tomatoes, onions, green peppers etc.

The challenge for produce marketers will be to develop marketing strategies that will ensure that they fully exploit the opportunities outlined above. Horticultural producers and/or marketers need to know what to produce and how to market it to the different types of buyers (consumer and institutional buyers).

Attributes sought by the consumers of fresh produce

Consumers have variable requirements and attitudes about different aspects of any product. An analysis of these consumer attitudes provides a framework for demand analysis. Consumers' perception of product is important, as an objective measure in

Most (98%) of the informal wholesalers did not specify the attribute preferences of the customers, whereas formal wholesalers mentioned specific product attributes that their customers search for.

In the survey both formal and informal retailers were asked to indicate the attributes sought by the consumers of specific fresh produce. Table 4 gives attributes sought in purchasing of five crops namely tomatoes, mushrooms, green beans, garlic and cucumbers. Freshness was an attribute sought virtually on all the types of produce covered. Good quality and state of ripeness also came up as major attributes. The other attributes varied with the product, these included factors like shape and size specification for tomatoes, aromatic qualities for garlic etc. However, retailers used different criteria to grade the produce as shown in Table 4.

Table 4: Differences in attributes sought by fresh produce consumers and grading criteria used by retailers

Produce	Attributes sought by consumers	Criteria for grading used by retailers
Tomatoes	Ripeness Freshness Size Specifications Shape Ability to Select	Size Quality Ripeness Freshness Colour
Mushrooms	Freshness	Size, Quality
Green Beans	Freshness, Packed, Choose and Pack	Freshness, Colour
Garlic	Freshness, Smell Size	Freshness, Colour Size

Source: Personal Interviews, 1994.

The ranking of freshness as a fresh produce attribute mostly sought by the consumer implies that special emphasis has to be put on the provision of cold chain facilities. Cold-chain handling involves provision of cooling and refrigeration facilities like on-farm cooling, specialized haulage systems, refrigeration at warehouses and coolers and refrigeration at the point of sale as well as at the consumption level and is the most effective answer to perishability problems.

C. Current marketing practices and strategies of market participants

Within the agri-business sector, marketing is a chain activity involving the flow of a commodity from the producer to the consumer, the process also includes the delivering of inputs to the agricultural sub-sector. Previous analysis has shown that the horticultural industry in Zimbabwe is not a homogenous sector but a fairly heterogenous sector involving large-scale commercial and smallholder horticultural production located in diverse agro-ecological regions. The two sub-sectors use different distribution systems, carry a different range and mix of produce and use different pricing and promotion strategies. In addition to these factors the horticultural marketing system involves domestic and export marketing. This paper focuses on the domestic market system.

Product availability

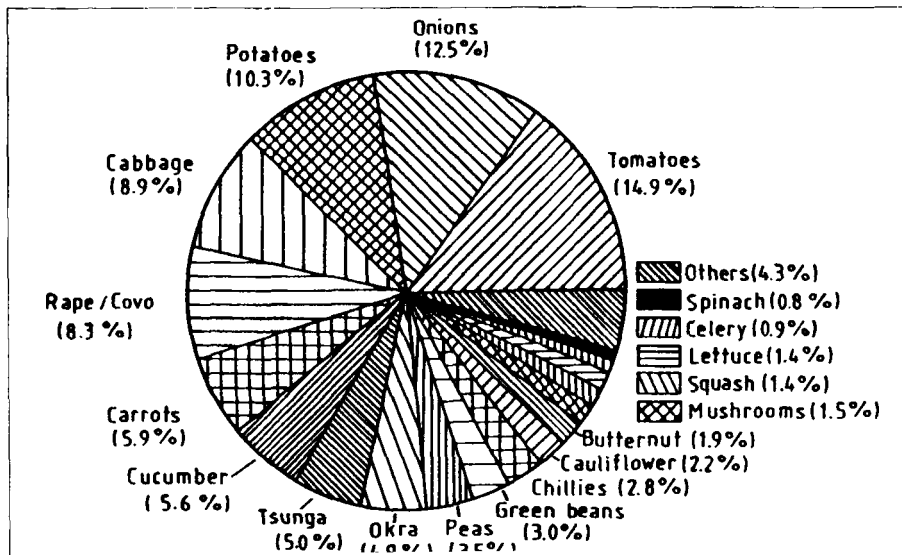
Tomatoes were the single most frequently handled vegetable (93% of the retailers sold tomatoes, 78% handled onions, 64% handled potatoes). Table 5 shows the number of retailers who marketed the various types of vegetables. This agrees with results presented by Jaure (1990).

Table 5: Most popular fresh produce with retailers in Harare and Chitungwiza

Product	Frequency	%
Tomatoes	323	93
Onions	271	78
Potatoes	222	63
Cabbage	193	55
Rape and Covo	180	52
Carrots	128	37
Cucumbers	121	35
Tsunga	108	31
Okra	103	30
Peas	76	22
Green Beans	65	19
Chillies	60	17

Source: Personal Interviews, 1994

The formal fresh produce retailers interviewed in the Chitungwiza and Harare areas included supermarket chains, green grocers and fresh-farm produce outlets. The formal retailers have a more diversified assortment of vegetables than those in the informal marketing channel. Figure 4 shows the relative volumes of fresh produce which was being marketed in Harare and Chitungwiza at the time of the survey.

Figure 4: Fresh produce sold in Harare and Chitungwiza, percentage of total sales

The product range for formal wholesalers was very wide, some handled up to 57 different types of fresh produce. Informal wholesalers at most handled 29 types of produce. The same trend was observed between informal and formal retailers. Several formal retailers had over 30 products whilst informal and formal retailers on average sold four products or less.

The formal retailers and wholesalers also sold exotic fresh produce like cantaloupes, broccoli, mint, celery and baby corn whilst the informal participants sold the more traditional produce like tomatoes and onions etc.

Even though the informal retailers and wholesalers appeared to be aware of the exotic produce they did not stock these because of lack of consumer demand.

They argued that consumers lacked knowledge on how and when to use these products.

Horticultural marketing chain participants indicated that the varieties of produce in short supply in the low-density areas were different from those of the high-density areas.

Table 6 shows the products regarded as being in short supply in the different retail locations.

Table 6: Fresh produce in short supply in Harare and Chitungwiza

Produce in short supply in low-density areas		Produce in short supply in high-density areas
Mushrooms	Garlic	Rape
Green Beans	Peas	Green Beans
Lettuce	Green peppers	Peas
Cucumbers	Broccoli	Potatoes
Eggplant	Brussels sprouts	Onions
Celery	Spinach	Cabbage
Rape	Cauliflower	Tsunga
Okra	Pumpkins	Okra
Red peppers	Asparagus	Shallots
		Green Onions (shallots)

Source: Personal Interviews, 1994

The pattern of shortage may be due to a seasonal effect, ignorance of consumer needs or limitation of production resources. Shortages were also experienced with crops with longer growing cycles due to the fact that they tie up resources for longer periods, thereby interfering with other agricultural uses of the land and labour.

Distribution channels

The CHPs has a more developed distribution system and produce most of the horticultural exports. The SHHP is less developed but is fairly active on the domestic market especially in rural markets and in high-density housing sectors of Harare and Chitungwiza.

The commercial horticultural sector has a more vertically integrated marketing system, where marketing associations or co-operatives of horticultural producers are in direct contact with the consumer. Eighty percent of supermarkets and vegetable specialists, the main retail outlets, are in Harare and Chitungwiza.

horticultural wholesalers whereby selected wholesalers had exclusive rights to market vegetables in specific supermarket chains like TM, OK, Bon Marche etc.

The SHHP had limited access to supermarkets and institutional buyers except as sub-contracted out-growers or as short-term contractors when long-term contractors from the commercial sector could not supply the produce. Ninety-eight percent of SHHP interviewed had no contractual agreements with the retailers and mostly used spot-market arrangements to market their produce. The SHHP sector had a longer marketing chain involving producers, transporters, wholesalers and retailers whilst the CHPS had a shorter marketing chain. Figure 2 shows the spatial distribution of retailers in the different residential areas in Harare and Chitungwiza. The produce from the SHHP sector was mostly sold in high-density areas whilst CHPS served low-density retail outlets.

Pricing strategies

Pricing strategies tend to differ between the informal sector, vegetable wholesalers and retailers and their formal sector counterparts.

The informal wholesalers and retailers typically face a buyers' market because the fresh produce they handle is often in excess supply. As such they are forced to sell their products at very low prices. Also the under-developed marketing infrastructure results in fresh produce deteriorating fast resulting in big losses.

An initial analysis of pricing structure indicates that the wholesalers in the informal channel have a lower profit margin than the retailers. For example, the price of tomatoes varied from Z\$1.25 to Z\$5.99 per kg in the informal channel whilst in the formal channel prices ranged from Z\$1.29 to Z\$8.99 per kg.

It is, therefore, apparent that even during the season when a premium price is charged by formal retailers, the informal retailers highest price was still \$3.00 lower. As previously pointed out the pricing is influenced by the retailers capacity and capability to prolong the shelf-life of these highly perishable products. The variation in pricing also results from the fact that the formal retailers get a premium price for quality fresh produce from some of their customers whereas customers in the informal channel may not be willing to pay for premium quality. Retailers in the informal channel also pointed out that they usually got fresh produce of inferior grade than that marketed to formal retailers.

Several informal wholesalers indicated that they at times give away some of their produce as it will be in an unacceptable state (i.e. overripe, cracked, shrinking, etc).

Also because informal wholesalers operate from open markets without proper or secure cooling and storage facilities the wholesalers have to sell at give away prices in order to avoid costly inventory build-up and losses occurring due to the highly perishable nature of the fresh produce.

The formal sector wholesalers have some degree of control over the prices of their vegetables as they enjoy a stronger bargaining power over their supplies and have appropriate storage facilities which facilitate proper inventory management and price stabilization.

Promotion

To date, vegetable producers and marketers have not aggressively promoted their products to the final consumer. The only promotion currently done is in the form of

In the study some of the supermarkets cited the lack of retailer support and consumer education on vegetable storage, preparation and nutritional value as one of the major shortcomings of local fresh produce marketing. The market channel participants also complained about the poor packaging and quality of local fresh produce supplies especially when compared to imported products from South Africa.

Promotion efforts will no doubt go a long way in expanding/developing the market for horticultural produce on the domestic market. It is important for fresh produce procurers and marketers to note that there is scope for produce differences in the fresh produce market through packaging and branding. Some producers have, however, introduced innovative branding and packaging especially for low-density retail outlets. An example of branded produce is "Farm Fresh".

D. Marketing of specific horticultural crops

Carrots

Twenty-three percent of the retailers got their supplies from wholesalers, 69% of these retailers are located in Mbare. Of those interviewed only 17% of the informal retailers had some contractual arrangement with their wholesalers; 63.9% of the produce was received in packets/packs varying from 10-30 kg in weight.

Carrots seem to be abundantly available from May to August and are in short supply from September to April.

Fifty-two percent of the retailers do not grade their carrots and of those who do grade, size, quality and freshness are the commonly used grading criteria. Fifty-six percent do not package their produce and of those who do package the majority use plastic packaging.

Sixty-eight percent do not perform any additional functions other than grading and packaging, 28% said they performed some other functions, most commonly cleaning, labelling and pricing.

Approximately 89 % of the retailers sold their carrots to the public, 11% had written contractual arrangements with special buyers e.g. baby clinics and creches.

Although most carrot buyers were said to have no specific preferences, some buyers were said to be interested in large sized, well packaged carrots.

Fifty-eight of the interviewed retailers reported having incurred losses mainly because of rotting, wilting, shrinkage and breakages.

Tomatoes

Of the 283 retailers interviewed 64% sourced their supplies from wholesalers, most (74%) of whom were located in Mbare.

Some retailers received supplies directly from either smallholder farmers (15%) or large scale farmers (15%).

Six percent of the retailers had standing contractual arrangements with their suppliers. Most retailers (73%) received their tomato supplies packaged in boxes and crates (23%). Tomatoes are readily available from November to March and July to August.

Most retailers (70%) neither grade nor package their products on sale. Of the 30% that perform other functions, 67% clean and grade the product.

Some retailers reported having made losses as a result of breakages and spoilage through rotting. Size and quality were cited as the commonly used grading criteria by 40 to 50% of the respondents.

Mushrooms

Of the respondents interviewed only four had mushrooms as part of their produce mix. Three of the retailers obtained their supplies from wholesalers, one sourced directly from largescale farmers.

From the study, mushrooms seem to be relatively in short supply throughout the year.

All the four retailers reported that they grade and package their products. No other functions are performed.

The mushrooms are sold to the public. There were no contractual arrangements with institutional buyers. Problems commonly experienced tend to be in form of breakages, spoilage through rotting and shrinkage.

E. Problems encountered

The biggest problems encountered were a result of the short shelf-life of produce which was the major problem encountered by both formal and informal retailers. Seventy-nine percent of the retailers specified that rotting was the major cause of loss to tomato retailers. It was also the biggest cause of losses to the retailers overall. Other problems encountered included breakages, discoloration of produce, low demand for some produce, high cost price of produce etc. Table 7 gives the specific problems and causes of loss of some of five varieties of fresh produce, tomato, mushrooms, garlic and green beans, covered in the survey.

Table 7: Problems identified by market participants in marketing specific produce.

Produce	Problems
Tomatoes	<ul style="list-style-type: none"> — over-ripening — poor quality — discolorations — low demand (market over-supplied) — high cost — breakage and damage
Mushrooms	<ul style="list-style-type: none"> — rotting — breakage — shrinkage
Green Beans	<ul style="list-style-type: none"> — low damage — wilting — discoloration — high cost price
Garlic	<ul style="list-style-type: none"> — peeling — not readily available — size undesirable

Source: Personal Interviews, 1994

Both informal and formal wholesalers identified several constraints within the horticultural industry. The problems outlined by the informal wholesalers were:

- high transportation costs of horticultural produce;
- poor production strategies by producers resulting in over-supply of and

- poor in-transit handling and storage.
- the wholesale market place was over crowded, insecure, lacked convenience and appropriate storage facilities;
- the hours of operation of the wholesale market were too short and inconvenient;
- price fluctuations were too high and caused major losses to wholesalers;
- special assistance should be given to smallholder producers to enable production of produce in short-supply and out of season fresh produce.

The problems identified by the formal wholesalers were as follows:

- need for improved packaging by producers;
- poor in-transit handling and storage practices;
- need to diversity production to reduce over-supply of some fresh produce; and
- need of producers to be aware of consumer needs.

Even though the CHP is well developed and vertically integrated the vegetable retailers serviced by this sector pointed out the following problems:

- (a) irregularity of supply
- (b) poor packaging
- (c) poor quality and
- (d) lack of customer orientation

Also some new exotic vegetables spilling over from the export produce were being sold without advice to customers how to use the product. Even though the performance of the CHP is indeed commendable on the export market it appears as though the local market is not a priority to them except as a residual market for surplus, lower grade produce.

The CHP's use a product oriented approach on the domestic market whereas a market oriented approach is used on the export market.

A lot of effort has been focused on increasing productivity in the smallholder horticultural sector resulting in over-production in some areas and under production in other areas.

The above indicates that there are similarities and divergence in problems experienced by wholesalers in two sub-sectors as well as in problems experienced by the different market channel members in Chitungwiza and Harare. It is, however, ironic that the market channel participants mostly blame each other for their problems and do not look at the problems in a holistic manner. It could be that the problems of the "industry" need an integrated problem solving approach.

RECOMMENDATIONS

If the smallholder horticultural producers are to effectively compete on the domestic and global markets there is need to take note of the following issues:

- (a) Careful selection of markets (market niches) and concentrate on serving these markets where their resource capabilities are most effective.
- (b) In serving the chosen target markets, producers and marketers should try to initiate contractual arrangements (this will enable the producers to focus on customer needs and to know the "bundle of attributes" important to their

market which is a basic ingredient for success in horticultural marketing and production).

- (c) Smallholder producers should form producer associations to provide the “critical mass” needed in negotiating with input suppliers, consumers, the government as well as the financiers.
- (d) The provision of the cold chain is a critical issue for the success of the horticultural producers and producers as well as marketers should look at various ways of acquiring cold chain facilities e.g. through the private sector, donor agency funding or mobilisation for their own resources; and
- (e) There is need for a multi-disciplinary approach to horticultural productions and marketing so as to effectively link the supply and demand sides.

CONCLUSIONS

The smallholder horticultural producer operates in a more competitive market than the commercial producers. The commercial producers seem to operate in a “closed” market.

The produce carried by transporters from Mutoko and Domboshawa indicates that the SHHP sector produce some of the fresh produce in short supply on the domestic market e.g. beans and baby marrows. However, the product range remains limited and the produce is grown without a definite market being identified except where the SHHP is an out-grower. As a result the SHHP produces a product without taking cognisance of the product specifications for the consumer. The CHP grows and supplies on contractual basis and this implies that customer needs could be integrated into the production system as requested by market channel participants. The horticultural industry is failing to meet customer needs and this implies that the industry is not market driven on the domestic market and little has been done to stimulate domestic markets of fresh produce. From the study one can conclude that there is an aggressive and defensive marketing strategy by the CHP, whilst the SHHP is using survival strategies.

There is need to change thinking within the horticultural industry, specifically for the smallholder horticultural sector, so that the market and the consumer becomes the priority before production.

GET A MARKET THEN GROW FOR THE MARKET YOU KNOW

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